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Railway Contract





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Railway Contract,
❖1898❖



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VICTORIÆ REGINÆ.

CAP. VI.

An Act to provide for the Maintenance and Operation of the Newfoundland Railway, and for other purposes.

[PASSED 15TH MARCH, 1898.]

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SECTION

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WHEREAS the Government now owns and operates a Line of Railway from St. John's to Harbor Grace, called the Newfoundland Railway;

And whereas,—There are also under construction for the Recital. Government: (1) A Branch Line of Railway called the

Recital.

Clarke's Beach Branch; and (2), An extension of the so-called Newfoundland Railway from Harbor Grace to Carbonear;

And whereas,—The Government is the owner of a line of Railway from Whitbourne to Placentia, known as the Placentia Railway, and of a line of Railway from Placentia Junction, on the Placentia Railway, to Port-au-Basque, known as the Newfoundland Northern and Western Railway;

And whereas,—There is also under construction for the Government a Branch Line of Railway from the said Northern and Western Railway to Burnt Bay;

And whereas,—In the year 1893 a contract was entered into between the Government and Robert G. Reid, of Montreal, in the Dominion of Canada, Railway Contractor, for the maintenance and operation of the said Newfoundland Northern and Western Railway;

And whereas,—It is necessary to make provision for the maintenance and operation of the said Newfoundland Railway and the said several branch lines and extensions now under construction or to be constructed;

And whereas,—It is desirable to make provision for improved terminal facilities in St. John's;

And whereas,—It is desirable that the maintenance and operation of the said several lines, branches and extensions should be combined in one system and under one management and control for an extended period;

And whereas,—It is also desirable to make provision for an improved Mail Service by steamers in connection with the said Railway system;

And whereas,—It is also desirable that the Government Telegraph Service, now partially maintained and operated by the said Robert G. Reid, should be managed under one system at reduced cost to the Colony;

And whereas,—It is desirable to promote the development of certain Coal areas, now reserved for the use of the Colony,

and to provide for the raising of a revenue by the levying of royalties upon minerals raised from lands granted to the said Robert G. Reid ;

And whereas,—An agreement has been entered into between the Government and the said Robert G. Reid, to embrace and provide for the carrying into effect of the foregoing objects and purposes, subject to the approval and confirmation of the Legislature ;

And whereas,—It is desirable to confirm and give effect to the said agreement.

Be it enacted by the Governor, the Legislative Council Enacting clause. and the House of Assembly, in Legislative Session convened, as follows :—

1. This Act may be cited as “The Newfoundland Railway Short title. Act, 1898.”

2. The agreement made between His Excellency Sir HERBERT MURRAY, K.C.B., Governor of the Island, on behalf of the Government, of the one part, and ROBERT G. REID, of Montreal, in the Dominion of Canada, Railway Contractor, hereinafter called the Contractor, of the other part, dated the third day of March, A.D. 1898, and forming Schedule A. to this Act, and hereinafter called the Contract, is hereby approved and confirmed, and all and singular the several clauses, provisions and conditions thereof are hereby declared to be valid and binding upon the said parties thereto, and each of them, respectively ; and all and singular the several acts, matters and things therein provided to be done or performed by or on the part of the parties respectively, are hereby declared to be proper and lawful, and in so far as not by this Act expressly provided for, the parties, and each of them, shall have full power and authority to do and perform, or refuse to do and perform, all and singular the several acts, deeds, matters or things in and by the said Contract provided to be done, or not to be done, as the case may be, in the manner and under the conditions stipulated and provided by the said Contract, Corporation of agreement in Schedule A.

Right of entry,
&c., for purposes
of Railway
survey.

3. For the purpose of selecting and surveying and marking out the route for the new branch or line into the West End of St. John's, provided for by clause 26 of the Contract, it shall be lawful for the Government or Contractor, their engineers, surveyors, workmen and others to enter upon public or private property and to convey over the same all such vehicles, animals, materials and implements, and generally to do all and singular such acts and things as may be necessary for the purpose of such survey and marking out, and upon the same being so marked out and defined, to enter upon and take possession of the same, and to remove or cause to be removed therefrom all buildings or other property; and the land for the said track shall thereupon vest in and become the property of Her Majesty, her heirs and successors, for the purposes of the said Railway and of this Act.

Assessment of
damage under
this Act.

4. For the purpose of ascertaining the damage that may be occasioned to any person whose interests in any lands or tenements may be affected under the provisions of this Act, unless the same be agreed upon between the said party and the Governor in Council, which agreement the Governor in Council is hereby authorized to make, the Governor in Council shall appoint two persons and the party interested shall appoint a third, which three persons or any two of them shall determine the amount of compensation, if any, to be paid to such party according to his interest therein. And in case such party shall refuse or neglect to appoint an arbitrator within seven days after notice in writing so to do from the other two arbitrators, such two arbitrators shall name a third arbitrator, and the award of any two of them shall be final and binding; and the said arbitrators shall be sworn before a Justice of the Peace to do justice between the parties, and may summon and require the attendance before them of all parties interested in the property to be appraised by them, the agents of such parties respectively, and also all necessary witnesses, and require the production of all deeds and papers requisite to establish the title or interest of any party claiming compensation in manner hereinbefore mentioned, and may examine upon oath, to be administered by

any one of such arbitrators, all such parties or their agents, and all such witnesses, touching the matter to be enquired into. If the arbitrators shall be of opinion that the proprietors of land taken for the purposes aforesaid may be indemnified at a less expense by having an equal portion of land assigned to them from any land adjoining, and that such adjoining land may be taken without material injury to the proprietor thereof, the said arbitrators shall mark off, and in like manner appraise, so much of the said adjoining land as they may think sufficient to replace the land required as aforesaid, and the same so marked off shall belong to the first-mentioned proprietors and be in lieu of all indemnity; and the appraised value of the same shall be paid to the party from whom such land was so taken, and shall be a full satisfaction and release of the same, and of all right and title thereto: Provided, that if the land so to be given shall not be deemed an equivalent for the land so to be appropriated for the said purposes of the said Railway and buildings as aforesaid, the said proprietor shall be paid such sum as may be, with the land so to be given, a full satisfaction for the land so dedicated.

5. The Governor in Council shall have power to take possession of the waterside property at the west end of Saint John's called and known as the Municipal Basin, and to hold, apply and transfer the same to the Contractor, who shall hold the same for the purposes and subject to the conditions set forth in the contract.

Governor in Council may take Municipal Basin.

6. For the purpose of operating the said Railway according to the provisions of the contract the Contractor shall have, possess and exercise all such powers, franchises and privileges as may from time to time be necessary, whether expressly provided for in the said contract or this Act or not, as fully and amply as if the said provisions were enacted or set forth in an Act of Incorporation or Charter expressly conferring the said powers and privileges upon the Contractor.

Powers of Contractor for purposes of operation of railway.

7. The areas of land near Grand Lake, referred to and defined in clause forty of the contract in which coal has

Coal areas.

been discovered, are hereby declared to be reserved to the Crown from public sale, grant, or other disposition, and exempt from the provisions of the Acts of the Colony relating to Crown lands and the disposition thereof; and the said land shall be held by the Governor in Council for the purposes set forth in said clause 42 of the Contract, to be granted to the Contractor under and subject to the provisions and conditions of the Contract.

Compensation to
Angel & Co.

8. For the purpose of ascertaining the amount of compensation, if any, to be paid to Messrs. Angel & Co., under the provisions of clause 74 of the Contract, in case the parties cannot agree thereupon, the said Angel & Co. shall appoint one arbitrator and the Contractor shall appoint a second, and the Supreme Court shall appoint a third, and the award of the said arbitrators, or any two of them, shall be final and binding upon both parties.

Application of
"Arbitration Act,
1895."

9. The provisions of the "Arbitration Act, 1895," shall be held to apply to the arbitration provided for by the foregoing section.

Paving of Water
Street.

10. The Governor in Council and the Contractor, and each of them respectively, shall have power to carry out the work of paving Water street, in St. John's, as provided for by clause 98 of the Contract, and for that purpose to do and perform all such acts and things as may be necessary or expedient.

Electric Railway.

11. For the purpose of providing power for the Electric Railway under clause 97 of the Contract, the Governor in Council shall have power to grant to the Contractor the exclusive use of any of the lakes mentioned in the said clause. After such exclusive use has been granted as aforesaid, any person using, trespassing upon, or in any way interfering with the lake so granted or the water thereof, shall be liable upon summary conviction to a fine of one hundred dollars or imprisonment for a term of three months.

Right of entry,
&c., for purposes
of Electric Rail-
way.

12. For the purpose of carrying the said work into effect, it shall be lawful for the Contractor to enter upon public or private lands, roads or highways, and to erect and construct

such buildings, reservoirs, machinery and other works as may be necessary, and also to dig and excavate the land for the purpose of laying pipes or mains, and also to erect poles and connect the same with wires, and to carry the said wires over or under the said land, and generally to do and carry out all such other works and things as may be necessary for the purposes set forth in the said clause

13. The amount of compensation to be paid to any person who may sustain damage under the provisions of the next preceding clause, which shall be paid by the Contractor, shall be determined by arbitrators who shall be appointed in the same manner and shall have the same powers as are provided by sections 8 and 9 of this Act. Compensation for damage under last section.

14. The Governor in Council shall have power to raise by loan upon the credit of the Colony, the following amounts, to be applied to the following purposes, as provided by the said Contract, viz. :— Governor in Council may raise by loan :

- (a.) A sum not exceeding one hundred thousand dollars, \$100,000 for to be paid to the Contractor for the re-railing of the line of railway from Whitbourne towards St. John's, under clause 25 of the Contract ; re-railing ;
- (b.) A sum not exceeding one hundred thousand dollars \$100,000 for to be paid to the Contractor for the building of a new line or branch into the West End of St. John's, under clause 26 of the Contract ; building new branch ;
- (c.) The sum of one hundred and forty thousand dollars \$140,000 for pav- to be paid to the Contractor for the paving of Water street, St. John's, under clause 98 of the Contract ; ing Water Street ;
- (d.) Such sum as may be found sufficient and necessary to defray the portion to be borne by the Government of the cost of the surveys of blocks or areas of lands to be selected by the Contractor and the Government along the line and elsewhere, as provided by clause 19 of the contract ; Necessary cost of surveys ;

Sum for payment
of compensation
under section 4 ;

(e). Such sum as may be found sufficient and necessary to provide for the payment of claims under sect. 4 of this Act as compensation for damages sustained, and of the expenses of and incident to the ascertainment and determination of the said claims by arbitrators or otherwise ;

Rate of interest.

The interest upon the several sums to be raised under this section shall be at the rate of $3\frac{1}{2}$ per cent.

Re-payment of
loan.

15. The said loan shall be payable at the expiration of fifty years from the date of the several debentures.

Form of deben-
tures.

16. The form of debentures to be issued for the said loan shall be that set forth in Schedule B. to this Act.

SCHEDULE A.

THIS AGREEMENT, made and entered into at Saint Agreement.

John's, in the Colony of Newfoundland, this third day of March, A. D. one thousand eight hundred and ninety-eight, between His Excellency Sir HERBERT MURRAY, K.C.B., Governor

[L. s.]

H. MURRAY,
Governor.

of this Island of Newfoundland and its dependencies, in Council, hereinafter called "the Government," of the first part; and ROBERT GILLESPIE REID, of Montreal, in the Dominion of Canada, Railway Contractor, hereinafter called "the Contractor," of the other part;

Parties.

Witnesseth, that in consideration of the grants, subsidies, covenants, provisions and conditions hereinafter contained and provided on the part of the said parties respectively, to be made, paid and performed, the said parties mutually covenant and agree as follows :—

1. For the purposes of this agreement, all and singular The Newfoundland Railway.
the following lines of Railway in the Colony of Newfoundland, viz. :

(a) The Newfoundland Railway, so-called, from St. John's to Harbor Grace ;

The branch of the said Railway now in course of construction from Brigus Junction to Clarke's Beach, and thence to or near Tilton ;

The extension of the said Railway now in course of construction from Harbor Grace to Carbonear ;

(b). The Placentia Branch Railway, so-called, from Placentia to Placentia Junction ;

(c). The Newfoundland Northern and Western Railway, so-called, from Whitbourne to Port-au-Basque ;

The branch of said Railway now in course of construction from the Burnt Bay Crossing to Burnt Bay, in Notre Dame Bay ;

(d). The new branch or extension into the West End of St. John's, hereinafter provided for ;

are and shall be held to be combined and comprehended under one system, which shall be called and known as "the Newfoundland Railway."

"Railway"
defined.

2. In this agreement the word "Railway" or "Railways" shall, unless the context requires a different meaning, mean the track, road-bed, cuttings, embankments, ditches, waterways, diversions, road-crossings, bridges, viaducts, culverts and retaining walls, rip rap, crib-work, sidings, Y's, turntables, water stations and water service, telegraph lines, engine houses, coal sheds, machine shops and machines, tools and appliances in and in connection with machine shops, locomotive engines, cars, snow-ploughs, flangers, and other rolling stock, buildings and structures provided and to be provided, and all other materials, accessories and equipments, the property or to become the property of the Government, in connection with all or singular the line or lines of Railway. In construing this agreement, the agreement between the Government and the Contractor, dated the 16th May, A. D. one thousand eight hundred and ninety-three, for the maintenance and operation of the Northern and Western Railway, under the Act 56 Vic. cap. 3, shall be read in connection herewith as if it were fully set forth herein, and is hereinafter to be referred to as "the said operating agreement."

Duration of
contract.

3. The Contractor shall, on the 1st day of April, A. D. one thousand eight hundred and ninety-eight, take possession of the said Newfoundland Railway, so far as the same is not already in his possession, and shall thenceforth maintain in a safe, efficient and satisfactory manner the said Newfoundland Railway, and the several branches and portions thereof, whether already constructed or hereafter to be constructed or completed, during a period of fifty years from the said date.

Contractor shall
continuously
operate railway.

4. The Contractor shall efficiently and continuously operate, in the manner provided in the next succeeding section, the said Newfoundland Railway, and the several branches, extensions and portions thereof either already constructed

or hereafter to be constructed or completed during a period of fifty years from the said first day of April, A. D. one thousand eight hundred and ninety-eight.

5. The said Newfoundland Railway and the several Mode of operation: branches thereof shall be continuously operated as follows :

(a.) There shall be run at least one passenger or mixed From St. John's to Carbonear and Placentia ; train each way each day (Sundays excepted) over that portion of the Railway between St. John's and Carbonear, between St. John's and Placentia, and between Placentia and Carbonear, and as many additional through or local passenger or freight trains as the demands of traffic may require.

(b.) There shall be run over the whole line or system of Over whole system. the said Newfoundland Railway, at least three through passenger trains or mixed trains, when not detrimental to the service, each way each week, and as many through or local passenger or freight trains as the demands of traffic may require.

6. Where the words "continuously operate" are used in "Continuously operate" defined. this Contract, it is understood and agreed that they shall mean and be construed that the Contractor shall operate the railways upon the regular time-tables, except when prevented by causes over which the Contractor has no control ; and failing to operate from the causes above named shall in no way be construed to work a forfeiture of the rights, privileges and payments to be granted and paid to the said Contractor by the Government as herein provided for ; but it is agreed that the Contractor shall use all due diligence in every respect to continuously operate the Railways as provided in the regular time-tables.

7. Should the Government at any time during the term Special trains. of this contract desire to run special trains other than those herein provided for, the Contractor shall furnish and run the same for the Government, upon receiving reasonable compensation to be agreed upon ; but the Contractor undertakes to provide once in each year, at his own expense, a special

train for the inspection on behalf of the Government of the Railways comprehended under this contract.

Contractor shall provide sufficient rolling stock.

8. Besides the rolling stock and equipment provided by the Government, the Contractor shall, subject to the approval of the Government, furnish additional rolling stock, equipment and accommodation as fast as, and in such quantity and of such description, as the developing and increasing business of the railways may require, so that the traffic requirements of the country may be fully met.

Time tables.

9. All regular trains provided for under this contract shall be run in accordance with time-tables to be approved of by the Government; no time-table and no change in any time-table shall come into effect until such time-table or change has had the Government's approval.

Government mails.

10. The Contractor shall, at his own expense, provide the Government with all necessary facilities for transporting the Government mails and mail matter over the whole railway system comprehended in this contract, in such quantities as the Government may require, the Contractor to attach a Postal or Mail Car to each passenger or mixed train, the Government mail agent to have the exclusive use and possession of such Postal Car, or section thereof set apart for carrying mails and mail matter, and to have every facility for the delivery and receipt of mails and mail matter at each station along the line of Railway. The said Postal or Mail Cars, or section of cars, shall be used only for the purposes of the Government mails and matter. In consideration for the due performance of the said mail service the Government shall pay to the Contractor a subsidy of forty-two thousand dollars per annum, whether or not there be any increase in the number of trains, as provided for in this contract, or any additional trains or any increase in the quantity of mails or mail matter. It is understood and agreed that this clause shall not be held to apply to the conveyance of mails or mail matter between countries other than this colony.

11. The minimum speed of all through trains shall be Minimum speed.
eighteen miles per hour, including stoppages.

12. The rates to be charged by the Contractor for carry- Passenger rates.
ing passengers shall not exceed three cents per mile for
first-class passengers, and two cents per mile for second-
class passengers, for distances more than twenty-five miles.

13. The charges for transportation of freight, in car-load Freight rates in
lots, shall not exceed three cents per ton of two thousand car-load lots ;
two hundred and forty pounds per mile, for distances more
than one hundred miles, or four cents per ton of two thou-
sand two hundred and forty pounds per mile for distances
more than fifty and not more than one hundred miles. The
freight on bulky articles may be charged by measurement,
and fifty cubic feet shall be estimated as the equivalent of
two thousand two hundred and forty pounds in weight.

(a). For lots less than car-loads the classification of freight Lots less than
shall be governed by the Canadian Joint Freight car-loads.
Classification, and (subject as hereinafter provided)
the rates to be charged and collected shall not ex-
ceed those set forth in Schedule A. hereto annexed,
being the local freight mileage tariff No. 1, adopted
by the Canadian Pacific Railway under the said
classification for Ontario and Quebec: Provided
that the said schedule and rates may from time to
time be altered or amended by agreement between
the parties, or, in the event of disagreement, under
the provisions of clause 101.

14. Each passenger shall be allowed to carry baggage to Passenger's
the extend of eighty pounds in weight, and all baggage in baggage.
excess thereof may be charged at express baggage rates.

15. The Contractor shall furnish the Government with a Contractor to
quarterly statement, showing the number and classes of pas- furnish quarterly
sengers, and the quantities and general description of freight statement.
forwarded from each station during the previous quarter,
together with the amount charged for the same, and shall
furnish any other information or returns in connection with
the line that the Government may require.

Grant of land
subsidy.

16 In consideration of the foregoing covenants on the part of the Contractor, the Government hereby covenant and agree to and with the Contractor, to grant him in fee simple, in addition to the land subsidies provided in and by the said agreement of the sixteenth May, one thousand eight hundred and ninety-three, five thousand acres of land for each one mile of main line or branch railway throughout the entire length of the lines to be operated.

“In fee simple”
defined.

17. The expression “in fee simple” in the foregoing clause, shall be held to include with the land, all mines, ores, precious metals, minerals, stones, and mineral oils of every kind therein and thereunder.

Land subsidy to be
granted in blocks.

18. The lands to which the Contractor shall be entitled under clause 16 and under said agreement of sixteenth May, one thousand eight hundred and ninety-three, shall be granted to him in blocks or sections to be defined and laid off in the manner provided by the next succeeding section: Provided that this clause shall not be held to annul or otherwise affect any grant already made to the Contractor under the said agreement of the sixteenth May, one thousand eight hundred and ninety-three.

Mode of laying
off blocks along
railway.

19. The lands along the line of Railway shall be laid off in blocks or sections of one mile in length and ten miles in depth on each side of the Railway, on meridian or base lines, to be run as may be found practicable, preserving as nearly as possible the general direction of the line of Railway.

Selection of lands
by contractor;

(a). Subject to the next following sub-section, the Contractor shall select and have granted to him the lands along the line of Railway to which he is entitled under this contract, as well as under the said agreement of the 16th May, one thousand eight hundred and ninety-three, which have not been granted to him, in quantities or areas, comprising any number of blocks not exceeding five, as defined by and under the next preceding sub-section;

- (b). For the purpose of laying-off and selecting the blocks Survey for purposes of laying off blocks ; to be granted to the Contractor and those to be held by the Government, respectively, it is agreed that within the year one thousand eight hundred and ninety-eight a survey shall be begun, under which the blocks or sections provided for by sub-section (a.) shall be defined and marked off, and the said survey shall proceed with due diligence until all the land along the line shall have been so defined and marked off;
- (c). From and after the commencement of the said survey, Selection as follows : and as the survey proceeds, the parties shall proceed to make their respective selections as follows :
- (d). The Contractor shall have the right to make the first Contractor may make first selection ; selection, on either one side of the Port-au-Basque end of the line, of an area or section consisting of not less than one nor more than five blocks of one mile in length, as defined by sub-section (a) ;
- (e). The Government shall thereupon take the next or Government shall take next adjoining areas ; adjoining area or section on the same side of the Railway, with the option of including in the said area or section any number of one-mile blocks not exceeding five ;
- (f). Upon its being found that any land along the line is Parties may reject swamp or barren ; barren or swamp, neither party shall be bound to take the same, and either party to whom an area or section would fall in turn of selection as above provided, shall have the right to reject and pass over such barren or swamp lands, and to take such area or section from the next suitable land ;
- (g). Upon the selection being made by either party of an Opposite frontages may not be taken by same party ; area or section on one side of the line as above provided, the other party shall have the right to an area or section of an equal frontage immediately opposite thereto on the other side of the line.
- (h.) In order to make up the total quantity or area of land to which the Contractor shall be entitled, he

Selections may be made elsewhere] than along the line of railway ;

shall have the right to select and have granted to him lands elsewhere than within ten miles of the line. Such selections shall be in areas or sections of not less than one mile by ten miles, nor more than ten miles by ten miles, the Government having the right, in the case of every such selection, to an adjoining area or section of equal size, and in making such selection either party shall have the right to reject and pass over barren or swamp lands in the same manner as provided by sub-section (f) in relation to land along the line of Railway.

Surveys on meridian lines ;

(i.) For the purpose of making the selection provided for under the next preceding sub-section, surveys and plans shall be made upon meridian or base lines, in the same manner as provided by clauses 18 and 19, and the areas or sections selected under this Contract shall conform to and be defined by the said plans and surveys.

Contractor completes selection in three years ;

(j.) The Contractor shall complete his selection of lands along the line of Railway within three years from the date of this Contract, and until he has made his selections the Government shall not dispose of any Crown lands, timber or mineral rights, within ten miles of the line of Railway.

Coal areas excepted from preceding land subsidy ;

(k.) The Contractor shall not have the right, under the foregoing clauses, to select or obtain any portion of the lands upon which coal has been discovered, and which were reserved by the Government under the Minute of Council dated eighteenth December, one thousand eight hundred and ninety-one.

Reservation of areas pending selections ;

(l.) As regards lands to be selected elsewhere than within ten miles of the line of Railway, it is agreed that within the three years provided by the sub-section (j), the Contractor shall have the right to select areas or sections elsewhere, in manner provided by sub-section (h), and such areas or sections shall be

reserved by the Government from grant to any other person until the expiration of the said three years, when the same or such portion thereof, as the Contractor may then be found to be entitled to, shall be granted to him.

- (m.) Provided that nothing in this Contract contained shall preclude the Governor in Council from exercising the right to make such reservations relative to Crown lands as he may deem necessary to provide for the public right of user of all lakes, streams and other waters, and for the construction of roads and bridges, railways, court houses, market places, churches, chapels, or other places of public worship, school-houses, bogs for the supply of manure or fuel from the public forests for the use of the fisheries, or for any other public use or purpose whatsoever.
- Right of Governor in Council to make reservations for public purposes.

20. The survey to be made under the foregoing clause shall be under the direction and control of the Government. The surveyors, engineers and other servants engaged in the said work shall be appointed and employed, one-half by the Government and one-half by the Contractor, and the cost of the said survey shall be borne two-thirds by the Government and one-third by the Contractor.

Management and cost of survey.

21. Lands to be granted by the Government under this Contract shall be free from taxation, so long as they shall remain unimproved or unoccupied.

Exemption of lands from taxation.

22. The Government may reserve from the provisions and operation of this Contract, at any places within fifteen miles of the sea, such areas of timber lands as may be considered necessary for the purpose of providing timber or wood for ship-building, for the repairs of ships or vessels, for the purposes of the fishery, and for firewood.

Government may reserve timber lands for ship-building, &c.

23. The Government may also reserve from the operation of this Contract such tracts or areas of land within three miles of the sea or tidal waters as may be considered necessary for the purposes of public use or settlement; provided

Government may reserve lands for public use or settlement.

that the Government shall grant to the Contractor from Crown lands, as part of the lands to which he is entitled, all such lands and waterside as may be necessary for the efficient operation of the Railway, for terminal purposes, and other facilities for traffic.

Provisions for
right of way.

24. It is understood and agreed that the provisions of section 68, of Chapter 13, of the Consolidated Statutes, (Second Series), shall be held to apply to the lands to be granted to the Contractor under this Contract.

Contract for
re-railing line
from Whitbourne
to junction of
new line.

25. The Contractor agrees to lay new rails upon that portion of the line from Whitbourne to the point from which a new line is to be built leading into the West End of St. John's, as hereinafter provided for. The rails and material and manner of laying the same shall be such as are provided for under the Contract between the Government and the Contractor for the construction of the Western Railway, dated the sixteenth day of May, one thousand eight hundred and ninety three, and the specification thereto annexed. The Government agrees to pay to the said Contractor for the said work at the rate of two thousand five hundred dollars per mile, but it is agreed that the total amount to be paid to the Contractor shall not exceed the sum of one hundred thousand dollars. The said work is to be completed on or before the thirty-first December, one thousand eight hundred and ninety-eight.

Construction of
new line from
St. John's ;

26. The Contractor shall construct a new line or branch railway from a point upon the present line of railway between Topsail and St. John's, to be determined by the Contractor, to the West End of the town of St. John's, terminating at the Municipal Basin, so-called, which the Government agrees to grant to the Contractor for terminal purposes. The said railway or branch line shall be constructed of the material, and in the manner, and subject to the conditions provided by the said Contract of the sixteenth May, A.D. one thousand eight hundred and ninety-three, and specification thereto annexed, for the construction of the said Western Railway.

- (a.) The Government shall pay to the Contractor for the said construction at the rate of fifteen thousand ^{At \$15,600 per mile;} six hundred dollars per mile, but the total amount to be paid shall not exceed the sum of one hundred thousand dollars
- (b.) The Government shall provide the right of way and the route or line shall be subject to the approval ^{Government to provide right of way;} of the Government.
- (c.) The said new or branch line into the West End shall ^{Line to be completed by 31st Dec., 1899.} be completed not later than the thirty-first day of December, one thousand eight hundred and ninety-nine.

27. The Contractor shall, at his own cost, erect a suitable ^{Contractor to erect depot at West End terminus.} and sightly depot at the West End terminus, to be completed on or before the thirty-first day of December, A. D. one thousand nine hundred, the plans and specifications whereof shall be subject to the approval of the Government.

28. Pending the construction of the said line to the West ^{Operation to present terminus pending construction of new line.} End of St. John's, the expression in this contract "operating," or "operation into" or "from St. John's," shall mean into or from the present terminus at the East End of Saint John's.

29. Stock gaps shall be made and maintained by the Con- ^{Stock gaps.} tractor when the line of Railway passes through enclosed private property. Such stock gaps shall be made where the line of Railway crosses the line of enclosure, or, in lieu of the stock gaps, the Contractor may build fences on each side of the Railway to prevent any straying stock from going on to the Railway.

30. Within three months after the construction of the ^{Contractor to fence new branch line;} new or branch line leading into the West End of St. John's, on any section or lot of land which is occupied, or, before such construction, within six months after any part of such section or lot of land has been taken possession of by the Contractor for the purpose of constructing a Railway thereon, and after the Contractor has been so required, in writ-

ing, by the occupant thereof, the Contractor shall erect and maintain :—

- | | |
|-----------------|---|
| Fences ; | (a). Fences over such section or lot of land on each side of the Railway, of the height and strength of an ordinary division fence, with openings or gates, or bars, or sliding or hurdle gates, with proper fastenings therein, at farm crossings of the Railway ; and |
| Cattle guards ; | (b). Cattle guards at all highway crossings, suitable and sufficient to prevent cattle and other animals from getting on the Railway. |

Liability of
contractor for
damages.

If, after the expiry of such delay, such fences, gates and cattle guards are not duly made and completed, or if after they are so made and completed they are not duly maintained, the Contractor shall be liable for all damages done on the Railway by its trains or engines to the cattle, horses, or other animals of the occupant of the land in respect of which such fences, gates or guards have not been made or maintained, as the case may be, in conformity with the next preceding sub-section ;

After such fences, gates and guards have been duly made and completed, and while they are duly maintained, no such liability shall accrue for any such damages, unless the same are caused wilfully or negligently by the Contractor or by his employees ;

If the proprietor of any such section or lot has accepted compensation for dispensing with the erection of such gates or bars, the proprietor or tenant thereof shall not be entitled to avail himself of the provisions of this section.

Crossings,

31. The Contractor shall make crossings for persons across whose land the Railway is carried, convenient and proper for the passing of farmers' carts and other vehicles over the same ; and the persons for whose use such crossings are furnished shall keep the gates at each side of the Railway closed when not in use ; and any person on whose land such gates are shall incur a penalty of twenty dollars for each occasion on which such gate is left open without some per-

son being at or near it to prevent animals from passing through it on to the Railway; which penalty shall be recoverable in any court of competent jurisdiction by the informer or person who sues for the same, a moiety whereof shall belong to such informer or person, and the other moiety whereof shall belong to Her Majesty; and the owner or occupier of the land on which any such gate is unlawfully left open as aforesaid, shall be liable to the Railway Contractor for any damage to the property of the Contractor, or for which the Contractor is responsible, by reason of such gate having been so left open; and no person, any of whose cattle are killed by any train, owing to the non-observance of this section, shall have any right of action against the Contractor in respect to the same being so killed.

32. The Contractor shall, at his own cost and charges, ^{Contractor to} ballast the whole line of Railway from time to time, as and ^{ballast.} when ballast is needed.

33. Where the Railway passes through Crown lands which have not been granted or disposed of up to the date of this ^{Width of right of} Contract, the right of way or track for the Railway shall be ^{way for railway.} one hundred feet in width.

34. It is also understood that the present Contract does not include or apply to the old abandoned track from Harbor Grace towards Carbonear, which shall also remain the ^{Exclusion of old} property of the Government. ^{track from Har-}
^{bor Grace to}
^{Carbonear.}

35. As regards that portion or branch of the Railway from Whitbourne to Tilton, it is understood that the Contractor is not bound to maintain or operate the same under ^{Railway from} clauses 3 or 4 of his Contract, and that the land subsidies ^{Whitbourne} to be granted to the Contractor under clause 16 of this ^{to Tilton;} Contract do not apply to the said portion or branch.

(a.) It is understood and agreed in respect of this branch ^{Operation of.} that during the time provided by this Contract for the operation of the Railway, the Contractor shall run at least three passenger or mixed trains each way per week between Whitbourne and the June-

tion near Tilton. Such operation to be in all respects subject to the general provisions of this Contract. In consideration of such operation there shall be granted to the Contractor a land subsidy of two thousand five hundred acres per mile.

Exemption from
duties of railway
material.

36. The following articles shall be admitted into this Colony free of duty :—Rails, fish-plates, fish-bolts and track spikes used in the construction of the branch lines and the re-railing of the line from Whitbourne towards St. John's, as provided for by this Contract. The Railway shall be exempt from municipal or local taxation.

Conductor may
build branch lines.

37. The Contractor shall have the right to build and operate such branch lines connecting with the Railway as he may consider desirable.

Railway to remain
as security for
performance of
this contract.

38. The Contractor agrees that in addition, and without prejudice to any other remedy which the Government may have, the Railway shall be and remain security to the Government for the due and faithful performance on the part of the Contractor and his assigns of the several clauses and provisions of this contract for the operation of the said Railway, and every part thereof, and that any amount for which the Contractor or his assigns may at any time be found or adjudged by competent authority to be liable to the Government for, or on account of any breach or failure, or neglect in the performance of any of the said clauses or provisions, or for loss or damage arising therefrom, shall be, and be held to be, a lien or first charge upon the said Railway and every part thereof. And further, that in the event of the Contractor or his assigns ceasing to efficiently operate the said Railway or any portion thereof, the said Railway shall become forfeited and revert to the Government, who shall thereupon have the right to enter upon and take possession of the same, to hold the same as Crown property for the use of the Colony.

Sale of Newfound-
land Railway.

39. And these presents further witness that the Government agrees to sell and the Contractor agrees to purchase

the rights, interest, reversion and property of the Government under and subject to the provisions of the foregoing contract, in and to the said Newfoundland Railway and system, and the several branches and portions thereof, with all and singular the appurtenances thereto, as described and defined in and by this contract.

40. In consideration of the said sale and transfer, the Contractor agrees: (1) To re-assign and transfer to the Government two thousand five hundred acres per mile for every mile of Railway to be operated under this contract, which shall be deducted or rebated from and out of the land subsidies to be granted to him thereunder, except as to the branch line from Whitbourne to the junction near Tilton, in respect of which the Contractor shall re-assign or deduct one thousand two hundred and fifty acres per mile; and (2) To pay to the Government the sum of one million dollars, as follows, viz.: one-fourth upon the execution of this contract, one-fourth at the expiration of six months, and one-half at the expiration of one year from the said date.

Consideration
for sale.

41. The Contractor shall have the right to establish a parcel or package express, and carry on the business and conduct the same in like manner under like regulations as Express companies in the United States and Canada. To facilitate the delivery of the express goods or packages, the same shall be carried on the regular passenger trains; and the Express company shall be responsible, as other express companies, as common carriers, for all goods entrusted to their care for transportation.

Contractor may
establish parcel
express.

42. The Government agrees to grant to the Contractor as part or portion of the land subsidies herein provided for, the areas of land near Grand Lake in which coal has been discovered, and which have been reserved by the Government from sale or grant under Minute of Council, dated the eighteenth December, A D. one thousand eight hundred and ninety-one, and more particularly delineated and described in certain plans. forming the schedule B., hereto annexed.

Grant of coal areas
to contractor.

The foregoing agreement and the grants to be issued thereunder are and shall be subject to the condition that the grantee shall so operate the coal mines within the said areas as to produce not less than fifty thousand tons of coal per annum.

Royalty on coal.

43. It is further agreed that the Contractor shall pay to the Government a tax or royalty at the rate of ten cents per ton of two thousand two hundred and forty pounds on all coal, the produce of the said mines, or of any other mines in this Colony to be operated by the Contractor, passed into use or consumption; it being further agreed that a tax or royalty of an equal amount shall be levied upon all coal raised in this Colony.

Royalties on minerals.

44. The Government shall have the right to impose the following royalties, and no more, upon minerals raised from the lands granted or to be granted to the Contractor under this Contract, and the said Contract of sixteenth May, A. D. one thousand eight hundred and ninety-three, viz. :

- (a.) Gold and silver—two per cent. on the gross amount of gold and silver mined.
- (b.) Copper—four cents upon every unit, i. e., upon every one per cent. of copper contained in each and every ton of two thousand three hundred and fifty-two lbs. of copper ore sold or smelted.
- (c.) Lead—two cents upon every unit, i. e., upon every one per cent. of lead contained in each and every ton of two thousand two hundred and forty lbs. of lead ore sold or smelted.
- (d.) Iron—five cents on every ton of two thousand two hundred and forty lbs. of ore sold or smelted.
- (e.) Tin and precious stones, and other minerals or mineral oils—five per cent. on their values.

Proviso.

Provided that these royalties, or any part thereof, shall not be imposed under the foregoing clause unless the same are made applicable to all minerals of the same kinds raised in the Colony.

45 From the time when the Contractor shall satisfy the Government that he is able so to operate his coal mine or mines, as to supply not less than fifty thousand tons per annum of coal of good quality, and to continue to furnish such supply, the Government agree to procure the imposition of a duty of not less than one dollar per ton upon all coal imported into this Colony, upon the condition that the Contractor shall supply coal to wholesale dealers at stations on the line of Railway where required, at prices to be computed as follows, viz. :

To the average wholesale market price from time to time of Sydney coal in Sydney, Cape Breton, there shall be added, (1) the sum of thirty cents per ton ; and (2) a sum to be computed as follows :—

- (a). For every mile of distance between the mine and the place of delivery, not exceeding fifty miles, one and a half cent per ton ;
- (b). Where the distance exceeds fifty miles, but does not exceed one hundred miles, one cent per ton ; but not in any case to be less than seventy-five cents per ton ;
- (c). Where the distance exceeds one hundred miles, but does not exceed two hundred miles, seven-tenths cent per ton ; but not in any case to be less than one dollar per ton ;
- (d). Where the distance exceeds two hundred miles, half cent per ton ; but not in any case to be less than one dollar forty per ton.

The term “wholesale dealers” in this clause shall be held to mean and include every person who shall purchase or require one hundred tons of coal or upwards in one lot.

46. The next preceding clauses shall not be held to apply to anthracite or cannel coal, or coal imported for actual use on board steamships. The Governor in Council shall make

Exemption of
anthracite, &c.,
from duty.

such regulations as may be necessary to give effect to this clause.

Bay and other
steam service.

47. For an improved mail service for the Colony, the Contractor agrees to provide suitable steam-boats of the size, speed and capacity hereinafter provided, for the following routes and services, viz. :—

One steamer to ply between Trepassey and Lamaline and intermediate ports.

One steamer to ply in Trinity Bay.

One steamer to ply in Bonavista Bay.

One steamer to ply in Notre Dame Bay.

One steamer to ply between Placentia and Port-au-Basque.

One steamer to ply between Port-au-Port and Battle Harbor, Labrador.

One steamer to ply between Port-au-Basque and Sydney.

One steamer to ply between St. John's, Harbor Grace or Carbonear, and Labrador, east and north.

Steamers to be of
size, &c., approved
by Governor in
Council.

48. The said steamers, except that which is to ply between Port-au-Basque and Sydney, shall be respectively of the size, capacity and speed, and shall be built upon plans and specifications to be approved of by the Government.

Service between
Port-aux-Basques
and Sydney.

49. The steamer for the service between Port-au-Basque and Sydney shall be the s. s. *Bruce* or some other boat of equal size, speed and capacity.

Bay service

50. The steamers on Placentia, Trinity, Bonavista and Notre Dame Bays, shall make two round trips per week.

South and West
Coast service.

51. The steamers between Placentia and Port-au-Basque, and between Port-au-Port and Battle Harbor, shall each make one round trip per week.

Port-aux-Basques
and Sydney
service.

52. The steamer between Port-au-Basque and Sydney shall make three round trips per week.

(a.) If, for any sufficient cause as agreed upon between the Government and the Contractor, it should be

found desirable that the said steamer should temporarily ply between Sydney and Placentia instead of Port-au-Basque, it shall be sufficient that the said steamer shall make two round trips per week instead of three.

53. The steamer between St. John's and Labrador, east St. John's and Labrador service. and north, shall make one round trip every fortnight.

54. The routes and services to be performed and the ports Routes, &c, to be approved. of call to be visited by the said several steamers respectively, shall be subject to the approval of the Government

55. The Government may, from time to time, by order and Government may substitute other ports. reasonable notice thereof to the Contractor, substitute any other intermediate port or ports of call, and add other ports of call on either route without any extra charge, provided that such substitution or addition be such as to admit of the round voyage being performed by the boats respectively, within the prescribed period, without undue pressure or difficulty: Provided that this clause shall not apply to the steamer between Port-au-Basque and Sydney.

56. The steamers shall carry mails and mail matter of Steamers shall carry Government mails. every description delivered to them, by, for, or on behalf of the Government, and carry the same to their respective destinations free of charge. There shall be on board of each of the said boats a safe and suitable place for keeping the said mail matter. The Government shall be entitled to keep an officer on board each steamer in charge of the mail, and for Customs purposes, free of charge, except for diet

57. The dates for the commencement of the service of Commencement service each season. each boat which does not ply continuously shall be fixed each season by the Governor in Council, but the service shall commence as early and continue as long as weather and ice permit.

58. The Governor in Council shall have power, by notice Governor in Council may detain Labrador steamer; to the Contractor, to detain the steamer for the Labrador (East and North) service for a period not exceeding twenty-four hours after the time fixed for the departure from Saint

Demurrage.

John's, and shall also have power, by notice to the Contractor, to detain her for a longer period upon payment, in the latter case, of eighty dollars per day.

Contractor to keep steamers in seaworthy condition.

59. The Contractor shall, during the continuance of this agreement, at his own cost and charges, keep the steamers in good seaworthy condition and properly manned and equipped in every respect in accordance with the laws relating to passengers in British steamers and the rules and regulations of the Board of Trade; and there shall be a sufficient number of stewards and a stewardess on board each of the said steamers for the said passengers.

Government may cause steamers to be inspected.

60. The Government may, during the continuance of this agreement, from time to time, cause the said steamers to be surveyed and inspected by such person or persons as they may appoint for that purpose; and in case there shall be any deficiency or default, or anything wanting in the said steamers, or either of them, or in their equipment, according to the said laws, rules and regulations, upon notice thereof to the said Contractor by the Colonial Secretary, the same shall immediately be made good and supplied by the Contractor, and in case of wrongful refusal or neglect for an unreasonable time to comply with the said notice, then the Contractor shall not be entitled to receive any part of the consideration herein provided to be paid to him: Provided, that the said Contractor holding a first-class Board of Trade certificate for such steamers, the said steamers shall not be compelled to be passed for semi-annual certificates by Board of Trade Surveyors.

Through rates to be charged.

61. Through rates for passengers and freight shall be charged from all points to the place of destination. For the purpose of this clause, the railway and steamers shall be held to constitute one route or system.

Passenger rates.

62. The rates to be charged by the Contractor for carrying passengers shall not exceed three cents per mile for first-class passengers, and two cents per mile for second-class passengers, for distances more than twenty-five miles.

63 The charges for transportation of freight by the Freight rates. steamers plying under this contract (except that upon the service between Port-aux-Basques and Sydney and that upon the Labrador, East and North), service shall be at the same rates as are provided by clause 12 in respect of the railway.

64. Each passenger shall be allowed to carry baggage to Passenger's the extent of eighty pounds free of charge, and all baggage baggage. in excess thereof may be charged at express baggage rates.

65. The rates for passengers and freight by the steamer Rates by Labrador for the Labrador (East and North) service shall be subject steamer. to the approval of the Government, but, after the first arrangement thereof, the said rates shall not be altered except by consent of both parties.

66. All shipwrecked crews shall be carried by the said Shipwrecked steamers at the rate provided by the Board of Trade for the crews conveyance of shipwrecked seamen; that is to say, at the rate of one shilling and sixpence sterling per day, and all such rates shall belong to the Contractor.

67. In the event of either of the steamers (or a steamer In case of loss of substituted for a lost steamer) being lost during the con- steamer within tinuance of this contract, the Contractor shall, in case such twenty-five years loss shall happen within the first twenty-five years of the Contractor to term of this contract, provide and substitute another steamer substitute another. similar in all respects to the steamer so lost, and the steamer so provided and substituted shall be in every way subject to the provisions of this contract in like manner as was the steamer so lost; and in case such loss shall occur during the last five years of the said term, then this contract, as far as concerns the steamer so lost, shall be terminated, unless the Contractor shall elect to substitute a like steamer for the residue of the said term.

68. In the event of any of the said steamers being damaged or requiring repair, the Contractor shall provide and Contractor to substitute another steamer (to be approved of by the Gov- substitute steamer ernment) for the performance of the work by this contract for damaged steamer.

provided to be done, and such last-named substituted steamer shall only be permitted to continue running for such time as the Government may determine, and upon such terms as in the event of disagreement shall be determined under clause 101.

In case of failure to call at any port deduction may be made ;

69. Should either of the said steamers fail to call at any one or more of the ports of call in regular course, unless prevented by causes over which the Contractor has no control, then a deduction may be made from the amount which would otherwise have become payable for the trip, as hereinafter provided, and the question as to whether or not such deduction shall be made and the amount thereof, if disputed, shall be ascertained and determined by arbitrators, to be appointed as hereinafter provided. If at any time any port of call shall be inaccessible by reason of ice, the Contractor shall land the mails, mail bags and mail packages for such port at the nearest accessible port to such port of call, and shall convey them to the nearest post office, way post office, or such other place as the Government may direct, without any unnecessary delay, at the expense of the Contractor.

Mails.

Management, &c., of steamers.

70. All due care and diligence shall be observed and all necessary appliances provided on board the said boats for the comfort and convenience of passengers, and for the preservation of good order and discipline, and for the prevention of all illicit trading or other practices and disorderly conduct on the part of the officers, crew and passengers ; and in the event of default or failure in the observance of this clause, the Contractor shall from time to time be subject to such penalty or deduction from the subsidy as may be determined under clause 101.

Commencement of Bay steam service ;

71. The steamers for Placentia Bay, Trinity Bay, Bonavista Bay and Notre Dame Bay, shall be ready to commence the said several services on or about the first day of May, A. D. one thousand eight hundred and ninety-nine. The steamer for the Labrador (East and North) service shall be ready to commence the said service on or about the first day of July, A. D. one thousand eight hundred and ninety-nine.

The steamers for the South and West Coast services shall be ready to commence the said several services on or about the first day of May, A. D. one thousand nine hundred. The service by the steamer *Bruce* shall commence on and from the date of the signing of this contract.

72. In consideration of the due and faithful performance Steam subsidies, of the said service, and the several parts thereof as hereinbefore provided, the Government agree to pay to the Contractor the several subsidies following, that is to say :—

To the steamer on Placentia Bay, for one hundred and four trips each year, at the rate of one hundred dollars per trip ;

To the steamers on Trinity, Bonavista and Notre Dame Bays, for sixty trips each year, at the rate of one hundred and thirty dollars per trip ;

To the steamer on the South Coast, from Placentia to Port-aux-Basques, for fifty-two trips, at two hundred and fifty dollars per trip ;

To the steamer on the West Coast, from Port-au-Port to Battle Harbor, for thirty trips, at three hundred dollars per trip ;

To the steamer from St. John's to Labrador (East and North), for ten trips, at one thousand five hundred dollars per trip ;

To the steamer between Port-au-Basque and Sydney, for one hundred and fifty-six trips, at one hundred and thirty dollars per trip ; and when plying between Placentia and Sydney, one hundred and ninety-five dollars per trip.

73. The steam mail service provided for by the foregoing Duration of steam service. clauses and every part thereof, shall, except as herein otherwise provided, be performed and continue for a period of thirty years from the date of this contract.

74. The Government will rescind the contract, if any, St. John's Dry Dock. with Messrs. Angel & Company for the St. John's Dry

Dock, and sell and transfer the same to the Contractor for the sum of three hundred and twenty-five thousand dollars. The Contractor also agrees to pay the amount, if any, to which the said Angel & Company shall be found to be entitled as compensation for loss sustained by reason of the termination of their contract, if any, and to remove his machine shops from Whitbourne to St. John's, and to have all flat and freight cars built at the latter place.

Exemption from taxation.

75. The Dock shall be exempt from municipal or local taxation.

Dockage rates.

76. The rates for docking vessels shall not exceed the rates heretofore charged in the said Dock, as set forth in Schedule C. to this Contract.

Contractor to keep Dock in repair.

77. The Contractor shall keep the said Dock and premises at all times in a thorough state of repair, and shall do and perform all dredging necessary to provide full, ready and ample access to, and ingress, egress and regress to and from the said Dock.

Dockage of warships, &c.

78. Her Majesty's warships and vessels belonging to the Government shall have the preferential use of the Dock and premises when required.

Access to vessels in Dock.

79. For the purpose of effecting repairs to vessels in the said Dock, any contractor, mechanic, labourer, or artisan may go into and upon the said Dock at all times, and may carry over the said premises all articles and materials of every description free of charge.

Preferential rates not to be made.

80. The Contractor shall not make or allow exceptional rates or charges, or afford any advantage or privilege whatever to vessels, the work upon which, whilst in Dock, is to be done or performed by the said Contractor.

Operation of Dock;

81. The Contractor agrees that the said Dock shall be continuously and efficiently operated and used in the manner and for the uses and purposes for which it was constructed and has hitherto been used. And that upon failure in the due observance and performance of this stipulation

Forfeiture.

the said Dock, and all the appurtenances thereto, shall become forfeited to the Government, who shall thereupon have the right to re-enter and take possession of the same for the public use of the colony.

82. It is agreed that the Contractor shall take over and assume the control and management of the several Telegraph lines in the colony belonging to the Government, and of all material and other property pertaining thereto, from the first day of April next till the fifteenth day of April, anno domini one thousand nine hundred and four, the Contractor assuming all the cost of maintenance and operation, and receiving the earnings and profits of the lines. Operation of Telegraph lines ; The Subsidy. Government agrees to pay to the Contractor for the performance of the said service the sum of ten thousand dollars per annum, which the Contractor agrees to accept in full satisfaction of any loss which he may sustain by reason of any deficit upon the earnings and profits of the lines.

83. It is further agreed that from and after the said fifteenth day of April, A. D. one thousand nine hundred and four, and until the expiration of the said term of fifty years Contractor to operate lines free of subsidy after April 15th, 1904. provided by this contract, the Contractor shall continue to maintain and operate the said lines and offices free of any charge to the colony by way of subsidy or otherwise.

84. It is further agreed that in the event of the Government deciding to make additions or extensions to the present system the Contractor shall construct, maintain and operate the new or additional lines and offices, the Government paying the cost of construction and the annual loss or deficit, if any, upon cost, maintenance and operation. Extensions, &c., to be constructed by the Contractor ;

(a). For the purpose of determining the amount of earnings and profits of any line or office constructed and operated under this clause, it is agreed that the line or office shall be held to have earned and be entitled to credit for the tariff upon all messages received into or delivered from such office. Mode of determination of profits of telegraph line or office.

85. The Contractor shall have the right, at his own cost, to construct, maintain and operate such extensions or branches Contractor may extend telegraph system.

of the telegraph system hereby transferred, or such further or additional systems, by wire or cable as he may consider necessary or desirable.

Tariff.

86. It is also agreed that the tariff rates for all messages which shall be sent over any portion of the system operated by the Contractor under the foregoing clauses shall not exceed twenty-five cents for ten words, and two cents for every additional word. This clause shall not be held to apply to messages by cables passing to and from Newfoundland from and to any other country.

Connection with
Whitbourne.

87. It is further agreed that from and after the fifteenth day of April, A. D. one thousand nine hundred and four, the Contractor shall, at his own cost, establish telegraph connection between St. John's and the present Government Office, and the line at Whitbourne, and between the various branches and offices of the present Government system.

Enactment of
legislation pro-
viding for secrecy.

88. It is agreed that such legislation shall be enacted as shall be necessary in order to secure the preservation of secrecy in relation to the contents of all telegraph messages passing through the telegraph system under the control of the Contractor, such as the exclusion of all persons except telegraph operators of the offices from the telegraph offices, the imposition of penalties upon all persons guilty of, or parties to the violation of secrecy and other such similar provisions.

Construction of
undertaking to
operate.

89. It is understood that the undertaking on the part of the Contractor to operate the present Government lines shall be construed to include the continuance of the several offices in operation at the time of the making of this Contract.

Dismissal of
operators, &c.

90. It is further agreed, that for a period of six years, no operators or other servants in the employ of the Government in or upon the said Government offices or lines at the time of the making of this Contract, shall be dismissed or discharged except with the approval of the Government or for sufficient cause,

91. It is further agreed that the Contractor shall, at his own cost, within two years from the making of this Contract, construct telegraph lines to, and establish offices at the following places:

The Gravels, (Port-au-Port); Salvage, (Bonavista Bay); Moreton's Harbor and Exploits Burnt Islands, (Notre Dame Bay).

And shall, at his own cost, maintain the said lines and offices in operation in the same manner and subject to the same provisions and conditions as are contained in this Contract in respect of the lines and offices hereby transferred.

92. The Contractor shall at all times afford every reasonable facility for the inspection of all telegraph lines comprehended under this contract, by such persons as the Government may appoint for that purpose.

93. The Contractor agrees, at the option of the Government, to be signified within one year from the date of this contract, to purchase and take over the interest and property of the Government in and to the telegraph lines, material and property of and pertaining to the Government telegraphic system hereinbefore described, subject to the several terms and conditions of this contract of maintenance and operation, and to pay the Government, as compensation or purchase money, therefor the sum of one hundred and twenty-five thousand dollars, payable on the fifteenth April, A. D. one thousand nine hundred and four.

94. The Government undertakes to procure the enactment of all such legislation by way of charter or otherwise as may be necessary to secure to the Contractor the power and privilege of maintaining and operating the said telegraph lines, and such additions or extensions thereto as the Contractor may desire to construct and operate.

95. The said telegraph line and property shall be exempt from municipal or local taxation,

Payments made
in bonds.

96. All payments of capital are to be made to the Contractor in bonds of the colony bearing interest at three and a half per cent., and all annual payments are to be made in cash quarterly.

Construction of
Electric Railway.

97. The Contractor agrees to procure the construction and operation of the Electric Railway in the town of St. John's, provided for by the Act 60 Vic., cap. 20, and to connect the said Street Railway with the said West End terminus of the Railway as soon as the latter shall be completed.

Paving of Water
Street.

98. The Government agrees, upon the construction of the said Street Railway, to procure the paving of Water street with granite blocks. The work to be carried out by the Contractor under and according to the specifications forming schedule D. to this Contract, for which the Government agree to pay the Contractor the sum of one hundred and forty thousand dollars.

Grant of Petty
Harbor pond or
other ponds.

99. The Government agree to grant to the Contractor the exclusive use of Petty Harbor pond, or Petty Harbor Long pond, or such other lake in the vicinity of St. John's as the Contractor may select for the purpose of providing power for his Electric Railway. In the event of his selecting Long pond, the Contractor undertakes to construct at his own cost a sufficient water main to and near the West End terminus, the use of which shall be at the disposal of the St. John's Fire Department when necessary in case of fire.

Contractor may
not assign or
sub-let.

100. It is further agreed between the parties that the Contractor shall not assign or sub-let this Contract or any part or portion thereof to any person or corporation whomsoever without the consent of the Government.

(a.) Provided that this clause shall not be held to prohibit or prevent the Contractor from raising money upon bonds or mortgages upon the security of the property the subject matter of this Contract, subject to the provisions and conditions thereof.

Arbitration.

101. All matters in difference arising between the parties hereto upon any matter connected with or arising out of

this Contract, shall be referred to three arbitrators, one each to be named by the parties hereto, and a third to be named by the Supreme Court or a judge thereof, and the award and decision of any two of the said arbitrators shall be binding, and the award of such arbitrators shall be a condition precedent to the right of either party hereto to bring any action against the other upon any matter of difference arising out of this Contract.

(a). The provisions of the "Arbitration Act, 1895," shall apply to all submissions to arbitration under this contract.

102. The Government undertake to enact all such legislation as may be necessary to give full effect to the contract and its several clauses and provisions thereof, according to the spirit and intent thereof, and also such as may be necessary to facilitate and enforce the collection and payment of fares and rates, the preservation of order and discipline in the trains and stations, and generally to give to the Contractor all such powers, rights and privileges as are usually conferred upon or granted to Railways and Railway Companies for the purposes of their business.

Government to enact legislation to carry out this contract.

103. This contract is subject to approval and confirmation by the Legislature of the Colony.

Contract subject to approval by Legislature

In witness whereof His Excellency the Governor in Council has caused the Great Seal of the Island of Newfoundland to be set hereto, and has signed these presents, and the said Contractor has hereunto set his hand and seal at St. John's, aforesaid, on the day and in the year just above written.

By His Excellency's command,

(Signed), J. ALEX. ROBINSON,
Colonial Secretary.

(Signed), ROBERT GILLESPIE REID,

By his Attorney: HARRY DUFF REID, [L. S.]

Signed, sealed and delivered }
in the presence of }

(Signed),
"

M. H. CARTY,
CHARLES DAWE.

SCHEDULE A.
LOCAL FREIGHT MILEAGE TARIFF.

Schedule A.

Distances Miles.		Classes in Cents per 100 lbs.									
Over	Not over	1	2	3	4	5	6	7	8	9	10
...	5	8	7	6	5	4	4	4	3	3	3
5	10	10	8	7	6	5	5	4	4	4	4
10	15	12	11	9	8	6	6	5	5	5	4
15	20	14	12	11	9	7	6	6	6	6	5
20	25	16	14	12	10	8	7	6	7	7	5
25	30	18	16	14	11	9	8	7	8	7	6
30	35	20	18	15	13	10	9	7	8	8	6
35	40	22	19	17	14	11	10	8	9	8	7
40	45	24	21	18	15	12	11	8	9	8	7
45	50	24	21	18	15	12	11	9	10	9	7
50	55	26	23	20	16	13	12	10	10	10	8
55	60	26	23	20	16	13	12	10	11	10	8
60	65	28	25	21	18	14	13	11	11	11	9
65	70	28	25	21	18	14	13	11	12	11	9
70	75	30	26	23	19	15	14	12	12	11	10
75	80	32	28	24	20	16	14	12	13	12	10
80	85	32	28	24	20	16	14	12	13	12	10
85	90	34	30	26	21	17	15	13	14	12	11
90	95	34	30	26	21	17	15	13	14	13	11
95	100	36	32	27	23	18	16	13	14	13	11
100	110	36	32	27	23	18	16	14	15	14	12
110	120	38	33	29	24	19	17	14	15	14	12
120	130	38	33	29	24	19	17	15	15	15	13
130	140	40	35	30	25	20	18	15	16	16	13
140	150	40	35	30	25	20	18	16	16	16	14
150	160	42	37	32	26	21	19	16	17	17	14
160	170	42	37	32	26	21	19	17	17	17	15
170	180	44	39	33	28	22	20	17	18	18	15

SCHEDULE A.—(Continued.)
LOCAL FREIGHT MILEAGE TARIFF.

Distances Miles.		Classes in Cents per 100 Lbs.									
Over	Not over	1	2	3	4	5	6	7	8	9	10
180	190	46	40	35	29	23	21	17	18	18	15
190	200	46	40	35	29	23	21	18	19	19	16
200	210	48	42	36	30	24	22	18	19	19	16
210	220	48	42	36	30	24	22	18	19	20	16
220	230	50	44	38	31	25	23	19	20	21	17
230	240	50	44	38	31	25	23	19	20	21	17
240	250	52	46	39	33	26	24	20	20	22	18
250	260	54	47	41	34	27	25	20	21	23	18
260	270	54	47	41	34	27	25	20	21	23	19
270	280	56	49	42	35	28	26	20	21	23	19
280	290	58	51	44	36	29	27	21	22	24	20
290	300	60	53	45	38	30	28	21	22	24	20
300	325	64	56	48	40	32	30	22	23	25	21
325	350	66	58	50	41	33	31	23	24	26	22
350	375	68	60	51	43	34	32	23	24	26	22
375	400	70	61	53	44	35	33	24	25	27	23
400	425	72	63	54	45	36	34	25	26	28	24
425	450	76	67	57	48	38	36	26	27	29	25
450	475	78	69	59	49	39	37	27	28	29	26
475	500	80	70	60	50	40	38	28	29	30	27
500	525	82	72	62	51	41	39	29	30	30	28
525	550	84	74	63	53	42	40	30	31	31	29
550	575	86	75	65	54	43	41	31	32	32	30
575	600	90	79	68	56	45	43	33	34	35	32
600	625	94	82	71	59	47	45	34	35	36	33
625	650	98	86	74	61	49	47	36	37	38	35
650	675	102	89	77	64	51	49	37	38	39	36
675	700	106	93	80	66	53	51	38	39	40	37

Schedule A.—
(Continued.)

CARTAGE.—The rates in this Tariff are entirely exclusive of cartage at stations. Under this Tariff, when freight is to be loaded by consignor or unloaded by consignee, not less than one dollar per car per day, or fraction thereof, for delay beyond forty-eight hours in loading or unloading, will be added to the rates named herein, and constitute a part of the total charges to be collected by the carrier of the property.

Rates in the above Mileage Tariff only apply in the absence of special tariffs giving lower rates.

SCHEDULE B.

PLAN OF COAL AREAS.

Schedule B.

[Here follows plan shewing area of Crown lands upon which coal has been discovered, reserved by the Government under Minute of Council, dated the 18th Dec., 1891.]

SCHEDULE C.

RATES FOR DOCKAGE, ETC.

Schedule C.

Upon all vessels owned in the Colony—twenty-five cents per gross ton; lay days, half rate.

Upon vessels not owned in the Colony—steamships under one thousand five hundred tons, twenty-five cents per gross ton; lay days, fifteen cents per gross ton.

Steamships of one thousand five hundred tons and under two thousand tons, thirty cents per gross ton; lay days, twenty cents per gross ton.

Steamships of two thousand tons and over, thirty-five cents per gross ton; lay days, twenty-five cents per gross ton.

Sailing vessels—twenty-five cents per gross ton; lay days, half rate.

Lay days in each and every case to commence twenty-four hours after the Dock is dry.

All vessels docked with cargo on board will be charged twenty cents per ton for such cargo.

Three cents per ton will be charged for use of shores and stageing.

Bilge blocks required to be moved; cost of moving to be charged to the vessel.

All keels' blocks, split out at request of vessel, must be replaced by new ones at vessel's expenses.

All vessels requiring steam pump for watering or washing, will be charged at the rate of three dollars per hour.

All stageing, shores and dirt, must be removed from Dock before the water is let in to float vessel, at her expense.

When work is done on vessels at night, dockage rate will be charged same as lay days.

Special rates for wrecked vessels.

Nothing less than a half lay day charged in any case.

SCHEDULE D.

SPECIFICATION FOR PAVING OF WATER STREET, ST. JOHN'S.

Water street from South Side road at Municipal Basin to Schedule D. junction with Cochrane street.

Roadway between sidewalks to be made of granite blocks, dressed about four inches by fourteen inches by seven inches deep, and laid over two inches of sand over six inches of concrete, on carefully prepared foundation. Joints between blocks to be filled with bituminous paving cement.

Sidewalks on each side to be ten feet wide, of concrete six inches deep; curbing eighteen inches deep. The whole to be finished in a neat, substantial and workmanlike manner.

SCHEDULE E.

I, _____, Receiver General of Newfoundland, do hereby Schedule E. certify that by virtue of an Act passed in the sixty-first year of the Reign of her present Majesty, entitled "An Act to provide for the maintenance and operation of the Newfoundland Railway, and for other purposes," I have received, by way of loan, from _____, the sum of _____ dollars, bearing interest at the rate of $3\frac{1}{2}$ per centum per annum, payable half yearly on the first days of July and January in each year, until and after the expiration of fifty years from the date hereof, when the principal sum shall be payable in gold.

Given under my hand, at St. John's, this _____ day
of _____, A. D. 189 _____.

_____,
Receiver General.

Countersigned,—

_____,
Colonial Secretary.



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